# Consumer Reports® WEBWATCH

# LEAP OF FAITH: USING THE INTERNET DESPITE THE DANGERS

*Results of a National Survey of Internet Users for Consumer Reports WebWatch*

**By Princeton Survey Research Associates International**

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# EXECUTIVE SUMMARY

Early in this second decade of the Web, Internet users are more demanding of Web sites, less trusting and adjusting their behavior in response to what they see as very real threats in the online world. These are some of the findings of the latest Consumer Reports WebWatch poll of 1,501 adult Internet users, covering a broad range of the issues confronting the Internet.

With trust in the accuracy of information from Web sites central to credibility, there are signs of declines in this type of trust since the first WebWatch national survey, *A Matter of Trust: What Users Want From Web Sites*, also conducted in 2002 by Princeton Survey Research Associates International.[1] And Internet users remain quite skeptical about various categories of Web sites in general, even as they have built a level of trust with specific Web sites through learning and experience.

Consumer trust in news sources remains high, even as trust in business varies and signals a bit of a drop. For news organizations, 56 percent of users say they trust such organizations to provide accurate information at least most of the time, little changed from the 58 percent

found in the 2002 survey. News Web sites are trusted by 54 percent of users. Trust in financial companies to provide accurate information stands at 51 percent, down four percentage points in three years. For some organizations, distrust has risen. The share of Internet users who say they almost never trust large corporations to provide

**KEY FINDINGS**

**Consumer Reports WebWatch obtained telephone interviews with 1,501 U.S.-based adult Internet users and discovered:**

■ Nine out of 10 U.S Internet users over 18 have made changes to their behavior due to fear of identity theft.

■ Of those changes, 30 percent say they have reduced their overall use of the Internet.

■ 25 percent say they stopped buying things online.

■ Among those who shop online, 29 percent say have cut back on how often they buy things.

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[1] http://www.consumerwebwatch.org/dynamic/web-credibility-reports-a-matter-of-trust-abstract.cfm

accurate information has increased seven percentage points since 2002. Web sites offering products for sale have also lost some credibility. Now, one in five Internet users (21%) say they almost never trust web sites offering products for sale, up from 14% in 2002.

Users have developed high expectations for Web sites over a relatively short period of time. In the current survey, more users say they are placing substantial importance on specific reasons for choosing one Web site over another than they did in the 2002 survey.

■ 88 percent say keeping personal information safe and secure is *very important* for a Web site they visit.[2]

■ Being able to trust the information on a site is not far behind with 81 percent saying it is *very important*, little changed from 80 percent in the 2002 survey.

■ 76 percent say it is *very important* to be able to easily identify the sources of information on the site, up 8 percentage points.[3]

■ 73 percent rate knowing a site is updated frequently with new information as *very important*, also up 8 percentage points.

■ 48 percent say knowing who owns a Web site is *very important*, up 16 points.

## IDENTITY THEFT

For all online users, concern about identity theft is substantial and a worry that has changed their behavior in sweeping ways. Four in five Internet users (80%) are at least somewhat concerned that someone could steal their identity from personal information that is on the Internet. Forty-five percent say they worry *a lot* and 35 percent say they worry *some*.

These high levels of concern have driven Internet users to change their behavior online to try to protect themselves and their money. Nearly nine out of ten users (86%) have made at least one change in their behavior because of fears about identity theft. These changes include:

■ A majority of Internet users (53%) say they have

stopped giving out personal information on the Internet.

■ 30 percent say they have reduced their overall use of the Internet.

■ 25 percent say they stopped buying things online.

And there have been big changes among online shoppers as well.

■ 8 percent of online shoppers have started using just a single credit card for all the items they buy online.

■ 54 percent of those who shop online report they have become more likely to read a site's privacy policy or user agreement before making a purchase.

■ And 29 percent say they have cut back on how often they buy products on the Internet.

## E-COMMERCE

Despite the fears about identity theft and loss of credit card information, some online shopping and auction sites have successfully built trust with users. After all, it is a leap of faith for people to type their credit card number into a form on a Web site, authorizing that site to charge them money, with the site's promise that the product they want will be coming via mail, FedEx or UPS. The majority of Internet users are at least somewhat trusting of both online stores and online auctions. Seventy-seven percent of online users say they trust sites where products can be bought *a lot* (38%) or *somewhat* (39%). As one might expect – given the lower levels of usage of auction sites -- the trust in auction sites is a bit lower, but still substantial. Six in ten Internet users (61%) say they trust online auction sites *a lot* (24%) or *somewhat* (37%).

## FINANCIAL SITES

If buying a book online takes a small leap of faith, then doing one's banking online is a far bigger leap. Using an online banking site can involve viewing the balance in one's checking account, moving money between accounts and looking at images of checks that they have written. Such information and such ability to move your money are

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[2] This item was not included in the 2002 survey.
[3] Where a difference between two percentages in the report is discussed as significant, the difference has been tested and found to be statistically significant at the 95% confidence level.

no longer the province only of one's drawer full of financial records and the august airs of the bank branch. And many financial sites have earned the users' trust:

■ Banking sites are trusted by 68 percent of all Internet users.

■ 55 percent trust sites where one can set up automatic payment of bills.

■ 52 percent say they trust sites where they can check their credit history and credit score.

■ 42 percent say sites where they can buy and sell stocks or mutual funds are trustworthy.

■ And 36 percent say the same for mortgage or loan Web sites.

For each category of financial sites, those who use the sites trust them far more than those who do not. For example, 93 percent of those who do online banking say they trust such sites, including a whopping 70 percent saying they trust online banking sites *a lot*. In contrast, only 48 percent of those who do not use online banking say they trust such sites.

## NEWS SITES

With the Internet's combination of ease of use, speed of delivery and the ability to update the news far faster than in a newspaper or magazine, getting news online has been one of the most used features of the online world. Despite the proliferation of types and varieties of Web sites, news remains a staple. Fully three-quarters of online users (76%) say they have visited a news Web site in the past several months.

More Americans are saying the Internet has become their main source of news. Television still has the lions' share of the market with 61 percent saying it is their main source, down a bit from 67 percent in 2002. The percentage of adults saying they get most of their news from the Internet has doubled, going from 5 percent in 2002 to 11 percent in the most recent survey.[4]

Information is the essence of news Web sites and thus

**TWO-THIRDS OF INTERNET USERS SAY THEY BELIEVE ALMOST ALL OR MOST OF WHAT THEY SEE ON THE NEWS SITE THEY VISIT MOST OFTEN (68%).**

being able to believe the information on a news site is central to building and maintaining users' trust. The good news for news sites is that Internet users express fairly strong levels of belief in what news organizations and news Web sites are saying.

Most Internet users believe what they see or read in traditional media. Two-thirds of Internet users say they believe almost all or most of what they see on national television news they watch most often (68%), the daily newspaper they read most often (67%), and the news site they visit most often (68%). These numbers, while substantial, do reflect the continuing decline in viewers' and readers' trust in the credibility of the news media.

But just believing the information on the news sites is not the only thing users are looking for. There are other dimensions to news site credibility. On all four of the key issues about trusting a news site, more users are likely to say that it is *very important* for the news site to adhere to these practices, compared with the first WebWatch survey in 2002.

■ 69 percent of users say a clear distinction between advertising and news content is *very important*. This finding is up 10 percentage points since the 2002 survey.

■ Being able to reach those who are responsible for the content of news and information sites is also high on the users' list, with nearly half (47%) now saying it is *very*

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[4] While most of the results reported here are based on adult Internet users, these findings are based on interviews with the total sample of all adults, n=2,529.

*important* that a site list the email address of the editor. This is up 11 percentage points from the 2002 survey.

■ 44 percent say it is *very important* that the news site have a prominently displayed page for corrections and clarifications, up 10 percentage points from 2002.

■ In the current survey, three in ten (31%) say it is *very important* that the news site reveal the financial relationships the site has with other sites or other businesses, compared with 22 percent who said the same in the 2002 survey.

## BLOGS

Blogs have emerged as a new Internet phenomenon, their numbers growing by the thousands as controversy heats up about their reliability and role in media and democracy. Blogs – short for Web log, a reference to the tradition of linking to other Web sites as events unfold – have won some readers, but not much trust.

Fully one-quarter of Internet users (27%) say they have visited a blog in the past several months. Such popularity does not mean that the audience believes what they are reading. Just one in eight Internet users (12%) say they believe that the information on blogs is accurate at least *most* of the time. A total of 57 percent distrust what blogs report, with 21 percent saying they are *never* or *almost never* accurate. Nearly a third of all users (31%) cannot rate the blogs' accuracy.

Even among those who say they have gone to blogs, only 16 percent say they trust what they read.

## SITES FOR CHILDREN AND TEENAGERS

For many people, the Internet is a potential danger zone for children. Pornography can be accessed relatively easily and children can also come in contact with adults online who might seek to take advantage of or abuse them.

A large majority of Internet users (86%) think that the Web needs a rating system for Web sites, similar to the existing systems for movies, television and video games that attempt to signal whether or not the product is suitable for children of certain ages. Only 12 percent do not support such a system.

■ Almost all Internet users see adults' seeking out children in chat rooms as a problem, with 86 percent saying it is *major* problem.

■ Likewise, almost all adult online users say that the ease of viewing sexually explicit materials online is a problem. More than four in five (82%) say it is a *major* problem.

■ Violent video games that can be played online are also a major concern. Three in five online users (61%) say that violent online games are a *major* problem.

## SEARCH ENGINES

Search engines are often among the first resources to which users turn when they want to find information online. One characteristic of search engines is that they are sometimes paid fees to display certain Web sites more prominently on results pages when certain key words or phrases are typed in. Many online consumers have heard of this practice, but a majority have not. More people today (44%) have heard or read about search engines being paid fees to list some sites more prominently than others in their search results, compared with 39 percent in 2002. The majority (56%) has still not heard of this common practice.

## ABOUT THIS SURVEY

The survey results are based on interviews with 1,501 Internet users age 18 and older, conducted for Consumer Reports WebWatch by Princeton Survey Research Associates. The Internet users were identified from among 2,529 adults interviewed for the survey by telephone from May 19, 2005 to June 21, 2005. For results based on all Internet users, the sampling error margin is plus or minus 3 percentage points.[5] The sampling error margin is higher for sub-groups of Internet users.

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[5] See **Survey Methodology Report** for full explanation of survey methods, sampling and response rates.

# ABOUT CONSUMER REPORTS WEBWATCH

Consumer Reports WebWatch is the leader in investigative reporting on trust and credibility in the online marketplace. WebWatch uses the proven methods of Consumer Reports to produce comprehensive research, convenes breakthrough conferences and serves as a daily resource of unbiased and trustworthy information. Its research agenda includes entire online marketplaces, such as health, search, travel, news and information, children and teenagers, financial services and more.

WebWatch is a project of Consumers Union and is funded by The Pew Charitable Trusts, The John S. and James L. Knight Foundation, and the Open Society Institute. WebWatch's investigative reports, articles and news are available to the general public at http://www.consumerwebwatch.org.

# CREDIBILITY AND TRUST ONLINE

With literally millions of Web sites on the Internet, building and maintaining public trust is crucial to a site's success with the Internet users. The ease with which a user can move from one site to another places a premium on the site's building a credible connection with the user and maintaining the trust that such a relationship requires.

Overall trust in the accuracy of information that organizations and Web sites provide is central to credibility and there are signs of some declines in this type of trust since the first WebWatch national survey, *A Matter of Trust: What Users Want From Web Sites*, also conducted in 2002 by Princeton Survey Research Associates International.[6]

And Internet users remain quite skeptical about various categories of Web sites in general, even as they have built a level of trust with specific Web sites through learning and experience.

News organizations top the list of trusted sources for accurate information among those included in this survey (see Table 1). The more traditional, mainstream media sources such as newspapers and television news receive the highest ratings, with 56 percent of users saying that they trust these organizations *just about always* or *most of the time*. This percentage is little changed since 2002, when 58 percent of users rated news organizations as highly.

The only type of Web site that also wins trust in its accuracy from a majority of the users are news Web sites, which are trusted at least most of the time by a majority of users (54%). That finding is little different from the overall trust in the news media, which is not surprising given the dominance of Web sites from the mainstream media.

Consumer trust in businesses varies and signals a bit of a drop from the previous survey. One-half of Internet users (51%) say they trust financial companies such as banks, insurance companies, and stock brokers just about always or most of the time to provide accurate information. This is down four percentage points since 2002. Confidence in large corporations to provide reliable information is bleaker, with just 29 percent giving high ratings, down a bit to the 32 percent who said so in 2002. Distrust in large corporation has jumped. Now a

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[6] http://www.consumerwebwatch.org/dynamic/web-credibility-reports-a-matter-of-trust-abstract.cfm

larger share of Internet users say they almost never or never trust large corporations to provide accurate information than said so in 2002 (21% vs. 14%).

Web sites that offer products for sale have also lost some of their credibility among Internet users. One-quarter of Internet users say they trust Web sites that offer products for sale *always* or *most of the time* for the accuracy of information, a slight dip from 2002 when 29% gave such a rating. However, the share of users who say they *almost never* or *never* trust these types of sites has climbed seven points (21% in 2005 vs. 14% in 2002). Three in ten users trust the accuracy of Web sites that provide advice to consumers about which products or services to buy (31%) *just about always* or *most of the time*, similar to the 33 percent in 2002.

Other types of Web sites earn equally low marks in terms of the trust in the accuracy of the information they present. About one-third of Internet users (34%) say Web sites for children can be trusted at least most of the time to provide accurate information. A new type of site included in this survey is the blog – short for Web log, a reference to the tradition of linking to other Web sites as events unfold.

Attention to and usage of blogs have grown substantially. But increased attention does not translate to increased trust: just one in eight Internet users (12%) trust the accuracy of information in blogs, including only two percent saying they trust this source just about all of the time.

Confidence in online sources to provide accurate information declines with age among Internet users (see Table 2). For all five of the online sources asked about in the current survey, Gen X and Gen Y are more likely than Matures (60 and older) to trust the accuracy of information provided on those Web sites.

Unsurprisingly, those who buy products online and those who use their credit cards online are more likely to trust the information on shopping sites than those who do not shop online. Those who make purchases online do trust shopping sites at nearly twice the rate of those who do not shop online (29% vs. 14%). Similar findings emerge for those who use and those who do not use credit cards online (29% vs. 17%). Likewise, ratings of Web sites offering advice on products or services are related to online shopping. Those who shop online are more likely than those who do not to trust consumer advice sites (33% vs. 24%).

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**TABLE 1**

## TRUST IN ORGANIZATIONS FOR ACCURATE INFORMATION

|  | 2005 | | 2002 | |
|---|---|---|---|---|
|  | **ALWAYS/ MOST OF TIME** | **SOME TIME/ NEVER** | **ALWAYS/ MOST OF TIME** | **SOME TIME/ NEVER** |
| NEWSPAPERS AND TV NEWS | 56 | 42 | 58 | 41 |
| NEWS WEB SITES | 54 | 39 | – | – |
| FINANCIAL COMPANIES | 51 | 47 | 55 | 44 |
| WEB SITES FOR CHILDREN | 34 | 36 | – | – |
| WEB SITES THAT PROVIDE ADVICE TO CONSUMERS ABOUT WHICH PRODUCTS OR SERVICES TO BUY | 31 | 62 | 33 | 59 |
| LARGE CORPORATIONS | 29 | 69 | 32 | 66 |
| WEB SITES THAT OFFER PRODUCTS FOR SALE | 26 | 69 | 29 | 64 |
| WEB LOGS OR BLOGS POSTED ONLINE | 12 | 57 | – | – |

Likewise, those who have gone to news sites are more likely than those who have not to say they trust news sites at least most of the time. About three in five Internet users (59%) who have used a news site say they trust news sites at least most of the time to provide accurate information, compared with two in five (39%) who have not visited a news site.

Trust in the credibility of online sources is at least partly a reflection of individuals' levels of trust in general (see Table 3). Together, these views influence people's online activities and the degree to which they trust those Internet resources. Those who believe that most people can be trusted are more likely than those who say *you can't be too careful with people* to trust the accuracy of information provided at least most of the time. This relationship is not true for trusting Web sites for children, or for blogs.

**TABLE 2**

## TRUSTING ONLINE SITES' INFORMATION ALMOST ALWAYS OR MOST OF THE TIME BY GENERATION

| | GEN Y 18-29 | GEN X 30-40 | BABY BOOM 41-59 | MATURES 60+ |
|---|---|---|---|---|
| **TRUST THIS SOURCE:** | % | % | % | % |
| NEWS WEB SITES | 65 | 59 | 50 | 35 |
| WEB SITES FOR CHILDREN | 50 | 40 | 26 | 10 |
| WEB SITES THAT PROVIDE ADVICE TO CONSUMERS ABOUT WHICH PRODUCTS OR SERVICES TO BUY | 31 | 36 | 32 | 21 |
| WEB SITES THAT OFFER PRODUCTS FOR SALE | 28 | 28 | 25 | 20 |
| WEB LOGS OR BLOGS POSTED ONLINE | 15 | 13 | 11 | 7 |

**TABLE 3**

## IMPACT OF OVERALL TRUST ON TRUSTING INSTITUTIONS

| | TOTAL | CAN TRUST MOST PEOPLE | CAN'T BE TOO CAREFUL |
|---|---|---|---|
| **TRUST THIS SOURCE:** | % | % | % |
| NEWSPAPERS AND TV NEWS | 56 | 64 | 53 |
| NEWS WEB SITES | 54 | 64 | 49 |
| FINANCIAL COMPANIES | 51 | 59 | 47 |
| WEB SITES THAT PROVIDE ADVICE TO CONSUMERS ABOUT WHICH PRODUCTS OR SERVICES TO BUY | 31 | 41 | 26 |
| LARGE CORPORATIONS | 29 | 37 | 24 |
| WEB SITES THAT OFFER PRODUCTS FOR SALE | 26 | 35 | 21 |

# WHAT IS IMPORTANT FOR ALL SITES

Internet users have high expectations for Web sites and those expectations have increased with time. As in the 2002 WebWatch survey, users were asked how much importance they give to various reasons for deciding to visit Web sites. In the current survey, users are placing more importance on nearly all the items than they did in 2002 (see Table 4). There is no marked difference in the order of importance of these reasons since 2002, but an overall rise in the degree of care and concern.

A new item asked on the current survey tops the list of

**TABLE 4**

## TREND IN PERCENTAGE WHO SAY EACH IS VERY IMPORTANT REASON IN DECIDING TO VISIT WEB SITES

|  | 2005 | 2002 | CHANGE |
|---|---|---|---|
| THE SITE WILL KEEP PERSONAL INFORMATION I PROVIDE SAFE AND SECURE | 88 | – | – |
| BEING ABLE TO TRUST THE INFORMATION ON THE WEB SITE | 81 | 80 | +1 |
| THE SITE IS EASY TO NAVIGATE AND TO FIND WHAT YOU WANT | 77 | 80 | -3 |
| BEING ABLE TO EASILY IDENTIFY THE SOURCES OF INFORMATION ON THE SITE | 76 | 68 | +8 |
| KNOWING THE WEB SITE IS UPDATED FREQUENTLY WITH NEW INFORMATION | 73 | 65 | +8 |
| KNOWING WHO OWNS THE WEB SITE | 48 | 32 | +16 |
| WHAT BUSINESSES AND ORGANIZATIONS FINANCIALLY SUPPORT THE SITE | 38 | 24 | +14 |
| THE SITE DISPLAYS SEALS OF APPROVAL FROM OTHER GROUPS | 24 | 19 | +5 |

*very important* features a Web site must have: the site will keep personal information safe and secure (88%).

In line with the concern that Web sites need to keep personal information secure is the great importance that the information presented on a Web site be trustworthy. Fully 81 percent of users say it is *very important* to be able to trust the information on a Web site.

Three other reasons are rated as highly important by large majorities of Internet users. Seventy-seven percent say that it is *very important* that the site be easily navigable to find the information they want. Following closely are 76 percent who say that being able to easily identify the sources of information on the site is a very important feature. Seventy-three percent of Internet users rate knowing that a Web site is updated frequently as *very important*. It is apparent that consumers place high value not only on having accurate information but having that information be as up-to-the-minute as possible.

Interestingly, women are more likely to say four of the five top items are very important attributes of Web sites. For example, 81 percent of women and only 71 percent of men say that being able to easily identify the sources of information on a site is very important (see Table 5).

Age also plays a small role in rating of Web site qualities as very important. Specifically, Baby Boomers rate four

**CONSUMERS PLACE HIGH VALUE NOT ONLY ON HAVING ACCURATE INFORMATION BUT HAVING THAT INFORMATION BE AS UP-TO-DATE AS POSSIBLE.**

of the top five items as very important more often than their older or younger counterparts. Boomers are more likely than those age 60 or older to rate these as very important: keeping personal information safe and secure (91% vs. 84%), being able to trust the information on the site (84% vs. 76%), and being able to easily navigate the site (83% vs. 73%). Compared to Generations X and Y (those age 18-40), Boomers are more likely to rate the following as very important: the site is easy to navigate and to find what I want (83% vs. 75%) and the site identifies its sources of information (80% vs. 73%).

Compared to the large majorities of Internet users rating

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**TABLE 5**

## GENDER DIFFERENCES IN RATING OF WEB SITE CHARACTERISTICS AS VERY IMPORTANT

| | TOTAL | WOMEN | MEN |
|---|---|---|---|
| | % | % | % |
| THE SITE WILL KEEP PERSONAL INFORMATION I PROVIDE SAFE AND SECURE | 88 | 91 | 85 |
| BEING ABLE TO TRUST THE INFORMATION ON THE WEB SITE | 81 | 85 | 78 |
| THE SITE IS EASY TO NAVIGATE AND TO FIND WHAT YOU WANT | 77 | 81 | 74 |
| BEING ABLE TO EASILY IDENTIFY THE SOURCES OF INFORMATION ON THE SITE | 76 | 81 | 71 |

the above mentioned features as *very important*, the remaining three reasons do not garner as much public support. However, they should not be disregarded or treated as trivial matters: seven in ten users think that each of these three items is at least *somewhat important* to them when they use the Internet (see Chart 1).

Knowing who owns the Web site, what businesses and organizations financially support the site, and whether the site displays seals of approval from other groups are at least *somewhat important* to the majority of users.

Chart 1 : Importance of Site Features to Internet Users

| Feature | Very | Somewhat |
|---|---|---|
| Knowing who owns the web site | 48% | 30% |
| What organizations financially support the site | 38% | 38% |
| Site displays seals of approval | 24% | 47% |

Importance: 0%  20%  40%  60%  80%  100%

Legend: Very  Somewhat

# E-COMMERCE SITES

If there is one type of site that stands out for most online users, it is the online stores and auction sites such as Amazon and eBay, where you can research, buy and sell items online. And usage is high. Three-quarters of online users (77%) have used the Internet to buy something online and 44 percent have participated in an online auction, such as on eBay.

The incidence of shopping at online stores and participating in online auctions is higher among younger users and those with annual incomes of at least $20,000 (See Table 6).

One of the reasons for the popularity of online shopping is price. The Internet is seen by many as a resource for finding the lowest price on items. Nearly four in five Internet users (79%) agree the Internet makes it easy for them to find the lowest price for a product.

## TRUST

A key to the success of online shopping and auction sites is that they have built up the trust of users. After all, it is something of a leap of faith to type one's credit card number into a form on a Web site, intentionally authorizing that Web site to charge you money, with the site's prom-

ise that the product you want will be coming via mail, FedEx or UPS.

The majority of Internet users are at least somewhat trusting of both online stores and online auctions. Seventy-seven percent of online users say they trust sites where products can be bought *a lot* (38%) or *somewhat* (39%). Only 15

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**TABLE 6**

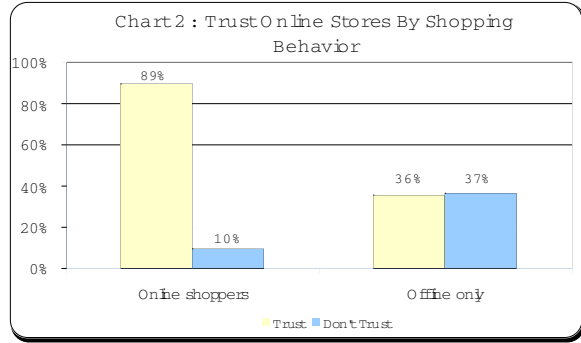### PERCENTAGE WHO HAVE USED E-COMMERCE SITES

|  | ONLINE STORE | ONLINE AUCTION |
|---|---|---|
|  | % | % |
| AGE |  |  |
| Age 18-59 | 78 | 46 |
| Age 60 and older | 66 | 23 |
| INCOME |  |  |
| $20,000 or more | 81 | 47 |
| Less than $20,000 | 63 | 28 |

percent say they trust such sites *a little* or *not at all*.

As one might expect – given the lower levels of usage of auction sites – the trust in auction sites is a bit lower, but still reaches a majority. Six in ten Internet users say they trust online auction sites *a lot* (24%) or *somewhat* (37%). Nearly one in four say they trust such sites either *a little* (12%) or *not at all* (11%). One in seven (15%) say they do not have an opinion.

It will come as no surprise that those with the most experience with online shopping sites are those with the highest levels of trust in these sites. Those who make purchases online are very likely to say they trust such sites: 89 percent of this group say they trust the online stores, including 47 percent who say they trust them a lot (see Chart 2). Opinions of those who do not shop online are divided: 36 percent trust online stores, 37 percent do not and 27 percent say they don't know enough to have an opinion.



Chart 2: Trust Online Stores By Shopping Behavior

Similarly, those who have bought and sold in online auctions express high levels of trust. A total of 89 percent of those who have participated in online auctions say they trust such sites, including 45 percent who say they trust them *a lot*. Those who have never bought or sold in an online auction take a different view: 40 percent trust online auctions; 33 percent do not and 27 percent do not know.

# FINANCIAL SITES

Early in the dot.com boom, checking stock prices online was a "gee-whiz" feature that demonstrated the extraordinary capability of the Web to rapidly provide information that had previously been the province of professionals. Today, the term *financial services* applied to Web sites means far more than just checking stock prices. Banking online is increasingly common, as is paying bills electronically and dealing with stocks and mutual funds.

Three in five Internet users (60%) have used one or more online financial services. Sites where one can do banking online are by far the most popular, with 45 percent of users going to such sites. Also popular are automatic bill payment sites (23%), credit check sites (24%), stock and mutual fund sites (12%), and mortgage or loan sites (7%).

Some demographic differences are observed in likelihood of using any of the financial services sites (see Table 7). For example, younger Internet users are more likely than users age 50 and older to have used at least one of the financial sites (64% vs. 51%). Those with incomes of $20,000 or more are more likely to have used an online banking site that those will lower incomes (48% vs. 32%), while a similar divide exists between those who have at least attended college compared with those who have not (50% vs. 35%).

Comfort with online transactions means there is a clear link between shopping and financial services: 69 percent

## TABLE 7

### PERCENTAGE WHO HAVE USED FINANCIAL SITES

|  | USED ANY | BANKING | PAY BILLS |
|---|---|---|---|
|  | % | % | % |
| AGE |  |  |  |
| Age 18-49 | 64 | 49 | 25 |
| Age 50+ | 51 | 36 | 17 |
| ANNUAL INCOME |  |  |  |
| $20,000 or more | 64 | 48 | 26 |
| Less than $20,000 | 43 | 32 | 17 |
| EDUCATION |  |  |  |
| Attended College/ College Graduates | 65 | 50 | 26 |
| High School Graduate or less | 52 | 35 | 17 |

of online shoppers use the Internet for financial services, compared with 29 percent of those who do not shop online.

## TRUST

If buying a book online is a small leap of faith, doing one's banking online is a far bigger leap. Using an online banking site can involve checking the balance in your checking account, moving money between accounts and looking at images of checks that you have written. Such information and such ability to move one's money are no longer the province only of one's drawer full of financial records and the august airs of the bank branch.

These financial sites have earned the users' trust (see Table 8). For instance, banking sites are trusted by 68 percent of all Internet users, followed by 55 percent who trust sites where you can set up automatic payment of bills. Fifty-two percent of Internet users say they can trust sites where they can check their credit history and credit score. Forty-two percent say sites where they can buy and sell stocks or mutual funds are trustworthy, and 36 percent say the same for mortgage or loan Web sites.

For each category of financial site, those who use the sites trust them far more than those who do not. For example, 93 percent of those who do online banking say they trust such sites, including a whopping 70 percent saying they trust online banking sites *a lot*. In contrast, 48 percent of those who do not use online banking say they trust the sites. This suggests there is still a group of users who might consider online banking. Likewise, 89 percent of those who use Web sites to pay bills online say they trust these sites.

Developing a level of trust in one type of Internet site related to personal finances is clearly related to trusting other types of financial sites. Internet users who engage

TABLE 8

### TRUST IN ONLINE FINANCIAL MANAGEMENT SITES

|  | A LOT | SOME | A LITTLE | NOT AT ALL |
|---|---|---|---|---|
|  | % | % | % | % |
| SITES WHERE YOU CAN DO YOUR BANKING | 43 | 25 | 8 | 15 |
| SITES WHERE YOU CAN SET UP AUTOMATIC PAYMENT OF BILLS | 31 | 24 | 10 | 20 |
| SITES WHERE YOU CAN CHECK YOUR CREDIT HISTORY AND CREDIT SCORE | 18 | 34 | 12 | 18 |
| SITES WHERE YOU CAN BUY AND SELL STOCKS OR MUTUAL FUNDS | 17 | 25 | 11 | 21 |
| SITES WHERE YOU CAN APPLY FOR A MORTGAGE OR LOAN | 10 | 26 | 13 | 28 |

in e-commerce and financial management online are more trusting of other online financial sites (see Table 9). Those who have bought items online and those who have used a credit card online are more likely to have *a lot* of trust in online banking sites, as well as the other types of financial sites.

## TRUST FINANCIAL SITES A LOT BY USE OF E-COMMERCE AND FINANCIAL SITES

|  | USE FINANCIAL SITES | | USE CREDIT CARDS ONLINE | | BUY ONLINE | |
|---|---|---|---|---|---|---|
|  | YES | NO | YES | NO | YES | NO |
|  | % | % | % | % | % | % |
| ONLINE BANKING SITES | 60 | 17 | 51 | 19 | 49 | 19 |
| AUTOMATIC BILL PAY SITES | 43 | 12 | 36 | 15 | 35 | 13 |
| CREDIT HISTORY SITES | 25 | 8 | 21 | 10 | 21 | 9 |
| STOCK OR MUTUAL FUND SITES | 24 | 5 | 21 | 5 | 20 | 3 |
| MORTGAGE OR LOAN SITES | 13 | 4 | 12 | 4 | 11 | 3 |

# CREDIT CARD FRAUD AND IDENTITY THEFT

If shopping online is becoming ubiquitous, so is using one's credit card online to pay for those purchases. Three-quarters of Internet users have used a credit card to buy something online in the past 12 months, while 26 percent report they do not use a credit card online. Total credit card use is up from the 65 percent who reported using their credit card online in the 2002 WebWatch survey.[7] A plurality say they have used their credit card one to five times in the past 12 months (43%), 17 percent say they have used it six to 12 times, and 15 percent say they have used it 13 or more times.

Two-thirds of Internet users who use credit cards online (67%) are concerned about someone stealing their credit card number when they make purchases online. Twenty-eight percent say they worry *a lot* about credit card theft, while 39 percent say they worried *somewhat*. But one-third of those who use credit cards online (33%) say they do not worry about theft of their credit card information online.

This level of concern has been roughly constant since the last WebWatch survey. Even with the heightened attention given to credit card fraud and identity theft in the past few years, the share of Internet shoppers who say they are concerned is essentially unchanged since 2002, when 65 percent reported this level of concern.

Certain groups express more concern over the risk of someone else getting their credit card number when they shop online. For example, 31 percent of women say they worry a lot about this happening, compared with 25 percent of men.

Among that quarter of the online population that does not use a credit card online, the reasons for not doing so are varied. For example, 16 percent of this group say they do not have a credit card. A sliver, six percent, say they prefer to shop in person and another six percent say they are trying not to use their credit cards at all. But the issues surrounding theft of personal information online (hackers, identity theft, not trusting Web sites) were cited in one fashion or another by 60 percent of those who do not use credit cards online.

For all online users, concern about identity theft is substan-

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[7] The current wording for this question is "Now, please tell me in the past 12 months, how often have you used your credit card to buy something on the Internet?" The question in the 2002 survey was: "Have you ever used your credit card to buy something on the Internet?"

tially greater than simple concern about theft of credit card information. Four in five Internet users (80%) are at least somewhat concerned that someone could steal their identity from personal information, such as Social Security numbers, that is on the Internet. Forty-five percent say they worry a lot and 35 percent say they worry some, while just 20 percent say they do not worry very much or at all.

Younger Internet users show less concern about the risk of identity theft than their older counterparts do. Additionally, those who use online e-commerce and financial sites worry less (see Table 10).

## TABLE 10

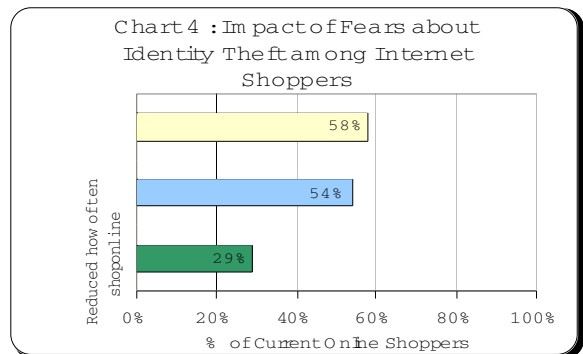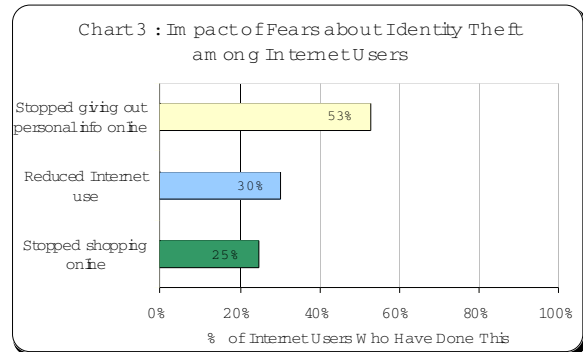### CONCERN ABOUT IDENTITY THEFT BY USE OF E-COMMERCE AND FINANCIAL SITES ONLINE

|  | A LOT | SOME | NOT |
|---|---|---|---|
|  | % | % | % |
| AGE |  |  |  |
| Gen Y 18-29 | 39 | 35 | 26 |
| Gen X 30-40 | 46 | 36 | 19 |
| Baby Boom 41-59 | 46 | 38 | 16 |
| Matures 60+ | 54 | 27 | 17 |
| SHOP ONLINE |  |  |  |
| Yes | 42 | 39 | 19 |
| No | 56 | 22 | 21 |
| TRUST ONLINE STORES |  |  |  |
| A lot/Some | 42 | 39 | 19 |
| A little/Not at all | 58 | 25 | 17 |
| USE CREDIT CARD ONLINE |  |  |  |
| Yes | 40 | 41 | 20 |
| No | 59 | 19 | 21 |
| USE FINANCIAL SITES ONLINE |  |  |  |
| Yes | 40 | 40 | 20 |
| No | 52 | 28 | 19 |

The Internet itself is one of the sources of concern about identify theft. The overwhelming majority of online users (86%) believe that the Internet has made identify theft more common, while just five percent say it has made it less common. Five percent say the Internet has not had any impact.

These high levels of concern have driven Internet users to change their behavior online to try to protect themselves and their assets. Nearly nine out of ten users (86%) have made at least one change in their behavior because of fears about identity theft.

A majority of Internet users (53%) say they have stopped giving out personal information on the Internet (see Chart 3). Fewer, but still substantial numbers of Internet users say they have reduced their overall use of the Internet (30%) or they stopped shopping online (25%) because of concerns about identity theft and the security of their personal information.

And there have been big changes among online shoppers as well (see Chart 4). The most significant change is that

Chart 3 : Impact of Fears about Identity Theft among Internet Users

Stopped giving out personal info online — 53%
Reduced Internet use — 30%
Stopped shopping online — 25%

% of Internet Users Who Have Done This

Chart 4 : Impact of Fears about Identity Theft among Internet Shoppers

58%
54%
29%

Reduced how often shop online

% of Current Online Shoppers

58 percent have started using just one credit card for all the items they buy online. Fifty-four percent of those who continue to shop online reported they have become more likely to read a site's privacy policy or user agreement before making a purchase. And 29 percent say they have reduced how often they buy products on the Internet.

Those who worry a lot about identity theft and credit card fraud are more likely than those with less concern to alter their online behavior (see Table 11). For example, two-thirds of those who worry a lot about identity theft (66%) have stopped giving out personal financial information online, versus only 31 percent of those who are not worried. And those worried about identity theft are twice as likely as those who are not (43% vs. 17%) to say they have reduced their overall use of the Web. In addition, 37 percent of those who are worried a great deal have simply stopped buying things online because of those fears,

while only one in ten (10%) of those who are not worried have stopped.

Levels of concern about identity theft and credit card fraud are also related to changes in online shopping behaviors. Those who worry a lot about identity theft are more likely than those who worry little about it to say they have reduced how often they buy items on the Internet (41% vs. 16%). Those worried about identity theft are also slightly more likely to read a site's privacy policies: 59 percent among those who are deeply worried versus 43 percent among those who are not worried. However, level of concern about identity theft is not correlated with starting to use just a single credit card online. The share of current online shoppers who have started using just one credit card does not vary with their level of concern about identity theft (55 percent of those who worry a lot and 56 percent among those who worry not much or not at all).

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**TABLE 11**

## CHANGE IN ONLINE BEHAVIOR BY CONCERN ABOUT IDENTITY THEFT

|  | A LOT | NOT MUCH |
|---|---|---|
|  | % | % |
| STOPPED GIVING OUT PERSONAL FINANCIAL INFORMATION ON THE INTERNET | 66 | 31 |
| REDUCED YOUR OVERALL USE OF THE INTERNET | 43 | 17 |
| STOPPED BUYING THINGS ON THE INTERNET | 37 | 10 |

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**TABLE 12**

## CHANGE IN ONLINE SHOPPING BY CONCERN ABOUT IDENTITY THEFT

|  | A LOT | NOT MUCH |
|---|---|---|
|  | % | % |
| STARTED USING JUST ONE CREDIT CARD FOR ALL ONLINE PURCHASES | 55 | 56 |
| MORE LIKELY TO READ PRIVACY POLICY/USER AGREEMENT BEFORE PURCHASE | 59 | 43 |
| REDUCED HOW OFTEN SHOP ONLINE | 41 | 16 |

*Based on current online shoppers*

# SITES FOR CHILDREN AND TEENS

Adult Internet users see danger online for children under age 18. For many users, the biggest threats in the wide-open world of the Internet are that children surfing the Web can be exposed to pornography and other images inappropriate for those under age 18 and that children can also come in contact with adults online who might seek to take advantage of and abuse them. Asked about four potential problems online for children, large majorities see all four as problems and substantial majorities rate three of them as *major* problems (see Table 13).

The top two concerns are related to sexual content or possible inappropriate contact with adults. Almost all Internet users see adults' seeking out children in chat rooms as a problem, with 86 percent saying it is *major* problem and nine percent saying it is a *minor* problem. Only two percent say it is not a problem.

Likewise, almost all adult online users say that the ease of viewing sexually explicit materials online is a problem. Again, more than four in five (82%) say it is a *major* problem and 12 percent say it is *minor* problem.

TABLE 13

## DANGERS ONLINE FOR CHILDREN

|  | MAJOR PROBLEM | MINOR PROBLEM | NOT A PROBLEM |
|---|---|---|---|
|  | % | % | % |
| ADULTS SEEKING OUT CHILDREN IN CHAT ROOMS | 86 | 9 | 2 |
| THE EASE OF VIEWING SEXUALLY EXPLICIT MATERIALS | 82 | 12 | 4 |
| THE LARGE NUMBER OF VIOLENT VIDEO GAMES THAT CAN BE PLAYED ONLINE | 61 | 25 | 10 |
| SITES THAT ARE SUPPOSED TO BE EDUCATIONAL, SEEM MORE ABOUT SELLING PRODUCTS | 42 | 42 | 9 |

Violent video games that can be played online are also a major concern, but it does not rise to the level accorded concerns about sexually related behavior. Three in five online users (61%) say that violent online games are a *major* problem. One in four (25%) say they are a *minor* problem. And one in ten (10%) say they are not a problem.

Web sites that may be perceived as educational, but are really just advertisements and sales pitches to children are also an issue, but at a much lower level. Two in five adults (42%) say such sites that promise an educational experience, but which are more about marketing products, are a major problem. Another 42 percent say they are a minor problem.

Women are somewhat more likely than men to say that two of the issues are *major* problems: adults seeking out children in chat rooms (91% vs. 82%) and the ease of viewing sexually explicit materials (88% vs. 76%). Women are much more likely than men to say that violent video games that can be played online are a *major* problem (73% vs. 49%).

Perhaps one surprising finding is that there is little difference in perceptions of these threats between parents, who have to deal with the issues of their own children facing online threats, and those without children at home. For the sexually-related threats, this lack of a difference may be due to, in part, the fact that the overall numbers are so high that there is only a small amount of room for significantly more concern. On the issue of violent video games online, parents are a bit more likely than non-parents (65% vs. 59%) to say these are a major problem.

Young adults are much less likely than older adults to see online games as a problem. Only 44 percent of those in Gen Y (age 18-29) say violent, online games are a major problem, compared with more than seven in ten of those in the Baby Boom generation and eight in ten of those age 60 and over.

## DOES THE INTERNET NEED A RATING SYSTEM?

Movies, television shows and even video games now have some type of rating system that attempts to signal whether or not the product is suitable for children of certain ages, with some additional warnings depending on the industry.

There is no such widespread rating system for Web sites, but the current survey shows that the public thinks there should be. A large majority of all adults online (86%) think that it would be a good idea for Web sites to use a rating system, like television and video games already do. Only 12 percent do not support such a system. Support of this idea is slightly higher among those who are parents of children under age 18 (91%), compared with those who do not have children at home (82%).

## PARENTS ARE TRYING TO DO SOMETHING

Parents are trying to monitor key aspects of their children's online use, even though that can be difficult. Roughly two out of three parents of kids age 6 to 17 say their children go online (64%). Thirty-six percent say their children do not go online. Of those parents whose children use the Internet, almost eight in ten (79%) say they have ever checked to see who the child was talking with over the Internet. This percentage is relatively stable across all age ranges of children.

# NEWS AND INFORMATION SITES

Getting news online has been one of the outstanding features of the Internet for the past decade, with the Internet's combination of ease of use, speed of delivery and the ability to update the news far faster than in a newspaper or magazine. Despite the proliferation of types and varieties of Web sites, news remains a staple. Fully three-quarters of online users (76%) say they have visited a news Web site over the past several months. That is quite similar to the 73 percent who reported such visits in the 2002 WebWatch survey.
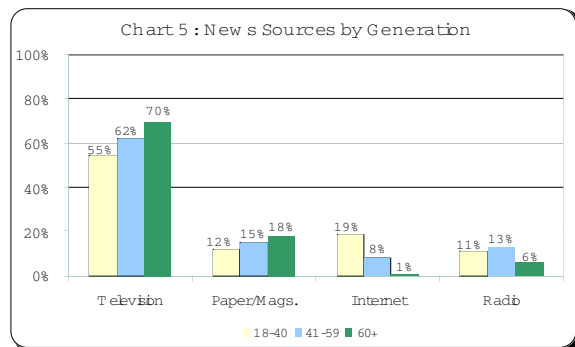
What has changed is that more Americans say the Internet has become their main source of news. Television and newspapers still have the lions' share of the market, but the Internet is growing. The great majority of Americans (61%) get most of their news from television, down a bit from 67 percent in 2002. In contrast, the percentage of adults saying they get most of their news from the Internet has doubled, from five percent in 2002 to 11 percent in the most recent survey.[8]

And there are major differences by age in terms of news sources, with Generations X/Y, age 18-40, far more likely to use the Internet for news (19%) compared with Americans age 60 and older (1%). Those age 60 and older tend to rely on more traditional sources such as television and newspapers at higher rates than younger adults.

## TRUST AND BELIEVABILITY

Very high on the list of what Internet users want in any Web site is being able to trust the information on that site. This is especially true of news and information sites, where information is the very essence of what they are offering. The good news for news sites is that Internet



Chart 5: News Sources by Generation

(Television: 18-40 55%, 41-59 62%, 60+ 70%; Paper/Mags.: 18-40 12%, 41-59 15%, 60+ 18%; Internet: 18-40 19%, 41-59 8%, 60+ 1%; Radio: 18-40 11%, 41-59 13%, 60+ 6%)

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[8] While most of the results reported here are based on adult Internet users, these findings are based on interviews with a representative sample of all adults.

users express fairly strong levels of trust in the news organizations, their Web sites and their products.

A solid majority of Internet users say they trust newspapers and television news to provide accurate information (56%) at least *most of the time*, while 42% say they trust these institutions just *some of the time* or *never*. This is essentially unchanged from the 58% of Internet users in 2002 who gave news media such high trust ratings. Unsurprisingly, given the close alignment of news Web sites and traditional newspapers and television news media, a similar share of Internet users say they just about always or most of the time trust news Web sites to provide accurate information (54%) as say they trust traditional media.

Credibility is the news media's most precious commodity, one that is hard to earn and easy to dissipate. Over the years, a set of questions focusing on the believability of the news media has worked well as a proxy for the full set of issues that make up credibility. And over the past 20 years, that indicator has slid downhill.[9]

Most Internet users also believe what they see or read in

traditional media. Two-thirds of Internet users say they believe almost all or most of what they see on national television news they watch most often (68%), the daily newspaper they read most often (67%), and the news site they visit most often (68%).

These numbers, while substantial, do reflect the continuing decline in viewers' and readers' trust in the credibility of the news media. For example, in a national survey for the John S. and James L. Knight Foundation, 71 percent of Internet users believed the daily newspaper (four percentage points above the current reading).[10]

A difference between age groups emerges when considering believability of national television news and daily newspapers. Younger generations are more likely to rate believability of both network television news and daily newspapers more highly than their older counterparts (See Chart 6). This is often discussed as a conundrum, since traditional news media usage increases with age, even as credibility declines.

## FACTORS IN CHOOSING

While trusting the information online is a key to the users' faith in any site, it is particularly essential to a news site. And the expectations for a news and information site remain different from those of an e-commerce site, as was the case in the first WebWatch survey. The strong focus

### TABLE 14

### BELIEVE WHAT YOU SEE IN THE NEWS MEDIA

|  | ALMOST ALL/ MOST | ONLY SOME/ NONE |
|---|---|---|
|  | % | % |
| NATIONAL TELEVISION NEWS YOU WATCH MOST OFTEN | 68 | 30 |
| DAILY NEWSPAPER YOU READ MOST OFTEN | 67 | 27 |
| NEWS SITE ON THE INTERNET YOU VISIT MOST OFTEN | 68 | 24 |



Chart 6 : Believability of Media by Generation

[9]  See Pew Research Center report 'News Audiences Increasingly Politicized' at http://people-press.org/reports/display.php3?PageID=833
[10] See John S. and James L. Knight Foundation, Community Indicators Project, National Survey at http://www.knightfdn.org/indicators/2002/nat/national _report_2002.pdf

on privacy and financial security is not surprising on the e-commerce sites; it is also not surprising that the users focus on the underpinnings of credibility for news sites.

What is perhaps surprising is that the online users are increasingly concerned about these credibility issues with news sites. On all four of the key issues about trusting a news site, users are more likely to say that it is *very important* for the news site to adhere to these practices, compared with the first WebWatch survey in 2002 (see Table 15).

For example, 69 percent of users say that the clear distinction between advertising and news content is *very important*, with 22 percent saying *somewhat important*. Nine percent say it is not important. The percentage saying this is *very important* has jumped 10 percentage points, while there has been little change in percentage who say it is *somewhat important* (25% in 2002 vs. 22% in 2005).

Being able to reach those who are responsible for the content of news and information sites is also high on the users' list. Nearly half (47%) now say it is *very important* that a site list the email address of the editor or others responsible for the site, so that users can reach them if they choose to do so. That is up 11 percentage points from the 36 percent finding in the 2002 survey. In the lat-
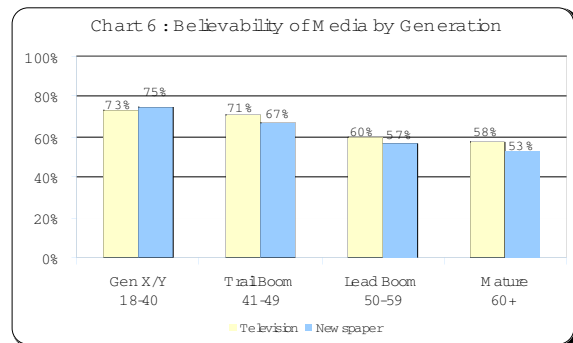
**WHILE TRUSTING INFORMATION ONLINE IS A KEY TO THE USERS' FAITH IN ANY SITE, IT IS PARTICULARLY ESSENTIAL TO A NEWS SITE.**

est survey, 36 percent say it is *somewhat important* for a site to provide the email address, while only 17 percent say it is not very important.

A major criticism of the news media – offline and online – has been the number of errors that readers see and hear in the news coverage. Online users want to make sure that news sites fix their mistakes in a way that they can find. Forty-four percent say it is *very important* that the news site have a prominently displayed page for corrections and clarifications. That is up 10 percentage points from 34 percent in 2002. Now, 42 percent say it is *somewhat important* that the corrections page be easy to find.

**TABLE 15**

## TREND IN PERCENT WHO SAY EACH IS VERY IMPORTANT THAT THIS INFORMATION BE ON NEWS WEB SITE

|  | 2005 | 2002 | CHANGE |
|---|---|---|---|
|  | % | % |  |
| ADVERTISING IS CLEARLY LABELED AS ADVERTISING AND DISTINGUISHED FROM NEWS AND INFORMATION ON THE SITE | 69 | 59 | +10 |
| E-MAIL ADDRESSES FOR THE EDITOR OR PEOPLE RESPONSIBLE FOR THE CONTENT ON THE SITE | 47 | 36 | +11 |
| A PROMINENTLY DISPLAYED PAGE FOR CORRECTIONS AND CLARIFICATIONS | 44 | 34 | +10 |
| THE FINANCIAL RELATIONSHIP THE SITE HAS WITH OTHER SITES OR OTHER BUSINESSES, IF ANY | 30 | 22 | +8 |

Given the oft-voiced concerns about financial conflicts-of-interest in the online world, the users want to know who is backing the news sites. Nearly one-third of the users (30%) say it is *very important* that the sites disclose their financial relationships and 40 percent say it is *somewhat important*.

Again, age emerges as a difference. Online Gen Y - those age 18 to 29 - are less likely than those age 30 and older to think three out of the four factors are very important: that advertising is clearly labeled (62% vs. 71%), that e-mail address for editors are listed (36% vs. 50%), and that there is a page for corrections (35% vs. 47%). A slightly different age pattern emerges for the final factor of divulging the financial relationships the site has with other sites or businesses. One-quarter of those Internet users age 18 to 50 (26%) say listing financial relationships is very important compared with four in ten older Internet users (41%).

## DON'T WANT TO PAY FOR NEWS ONLINE

The so-called Mainstream Media are facing a brutal business environment, as their audiences shrink and advertisers look to the new medium of the Internet as the fresh, cool way to reach audiences. One partial solution to the news business conundrum has been to seek to charge for news content online, much as subscriptions are charged to receive the daily newspaper or to get the weekly news magazines. But that model is little-loved among those who would be asked to open their wallets.

Only about one in 16 users (6%) say they have paid for access to news online. And another small sliver (7%) say they would consider paying. The great majority of adults online (86%) have not and would not consider paying a fee to get greater access to or more in-depth news coverage online.

Willingness to pay for content is never high, but younger users are a bit more likely to agree it is a possibility. About one in six members of Gen X (16%) and Gen Y (17%) say they have or would pay for news content online, while only eight percent of those age 60 and over would do so.

> **NEARLY HALF OF INTERNET USERS (47%) SAY THEY HAVE COME ACROSS MANIPULATED DIGITAL IMAGES AS THEY HAVE BROWSED THE WEB.**

Unsurprisingly, those who have accessed news sites in recent months are more likely to have already paid a fee to get access to news online (7% vs. 1%). It also appears that those who have read blogs recently are the core of those who have paid for content online: 11 percent of those who have visited blogs have paid a fee compared with four percent of those who have not visited a blog.

## PHOTOGRAPHIC TRICKERY

Paralleling the growth of the Internet in recent years has been an explosion in the use of digital photography and a rapidly increasing sophistication of software that can manipulate such digital images. Across the Internet, there are thousands of sites with photographs that have been manipulated for effect, whether humor, satire or just plain deception is the goal. Nearly half of the Internet users (47%) say they have come across such manipulated digital images as they have browsed the Web. An equal number of Internet users say they have not seen such images (49%).

In a remarkable statement of credibility, two-thirds of those who use the Internet (67%) say they trust online news sites *a lot* or *somewhat* to use photographs that are genuine and have not been altered to change their meaning. This total includes 13 percent who say they have a lot of trust in the news sites to handle photographs honestly. Only 30 percent say they have little or no trust at all in the news Web site to use real pictures.

## BLOGS AND THEIR ACCURACY

Blogs sprang into prominence in 2004 as one of the newest and most visible features of the ever-changing world of the Internet. Often the product of one person and often featuring strong points of view, blogs have emerged as a visible source of media criticism, reporting and rapid-fire exchanges of information and opinion. There was much chatter that blogs could replace, or at least challenge, the Mainstream Media.

Fully one-quarter of Internet users (27%) say they have visited a blog in the past several months, demonstrating the wide reach of blogs and the potential for continued growth. It will not come as a surprise that reading blogs is quite related to age. Thirty-nine percent of online Gen Y (age 18-29) have read a blog in the past few months, compared with 22% of those age 30 and older. Men are also more likely than women to have gone to a blog (30% vs. 23%). And those with annual incomes of $75,000 and up are more likely to read blogs (32%), compared with 25 percent of those who make less.

But such popularity does not mean that the audience believes what they are reading. Just one in eight Internet users (12%) say they believe that the information on blogs

**JUST ONE IN EIGHT INTERNET USERS (12%) SAY THEY BELIEVE THAT THE INFORMATION ON BLOGS IS ACCURATE AT LEAST MOST OF THE TIME.**

is accurate at least *most* of the time. A total of 57 percent distrust what blogs report, with 36 percent saying they are accurate some of time and 21 percent saying they are never or almost never accurate. Nearly one-third of all users (31%) fail to rate the blogs' accuracy, reflecting the still small share of Internet usage that blogs obtain.

Even among those who say they have gone to blogs, only 23 percent say they trust what they read at least most of the time, versus 73 percent who say they believe only some or nothing of what they read on blogs.

# SEARCH ENGINES

Search engines are often among the first resources to which users turn when they want to find information online. One characteristic of search engine businesses is that they are sometimes paid fees to display certain Web sites more prominently on the results page when key words or phrases are typed in. Many online consumers have heard of this practice, but a majority have not. The question remains: Armed with that information, is the credibility of search engines compromised?

More people today (44%) have heard or read about search engines being paid fees to list some sites more prominently in their search results, compared with 39 percent in 2002. However, the majority (56%) still has not heard of this common practice.

Several demographic differences in awareness of this practice were observed. One-half of men (51%) are aware of this practice, compared to 37 percent of women. Educational attainment level also appears to have a relationship with awareness of search engines being paid fees for prominence in results. Users who have at least some college education (49%) have heard or read about search engines being paid fees; just 32 percent of those with a high school education or less are able to say the same.

Even though most Internet users say they are unaware of this practice by on search engines, they say they expect this is what search engines are actually doing. When asked which of two statements they think best describes search engines, 50 percent of users say that they mostly show results for sites that pay to be listed prominently. Thirty-one percent say that search engines show the most relevant results for a search most prominently. An additional 14 percent say they do not know.

Among those who could answer the question, there are also some differences between groups about the belief that search engines mostly show results for sites that pay for prominence. Non-white users subscribe to this belief more often than white users (65% v. 56%). Those in the middle-income brackets are the most likely to share this view (63%), compared with those making less that $20,000 (47%) and those making $75,000 or more (53%).

# APPENDIX A:
# SURVEY METHODOLOGY REPORT

## SUMMARY

Consumer Reports WebWatch, a project of Consumers Union, obtained telephone interviews with a nationally representative sample of 1,501 Internet users age 18 and older living in continental United States telephone households. The survey was conducted by Princeton Survey Research International. Interviews were done in English by Princeton Data Source, LLC from May 19 to June 21, 2005. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ±2.7%.

Details on the design, execution and analysis of the survey are discussed below.

## DESIGN AND DATA COLLECTION PROCEDURES

### ■ Sample Design
The sample was designed to represent all continental U.S. telephone households. The telephone sample was provided by Survey Sampling International, LLC (SSI)

according to PSRAI specifications. The sample was drawn using standard *list-assisted random digit dialing* (RDD) methodology. *Active blocks* of telephone numbers (area code + exchange + two-digit block number) that contained three or more residential directory listings were selected with probabilities in proportion to their share of listed telephone households; after selection two more digits were added randomly to complete the number. This method guarantees coverage of every assigned phone number regardless of whether that number is directory listed, purposely unlisted, or too new to be listed. After selection, the numbers were compared against business directories and matching numbers purged.

### ■ Questionnaire Development and Testing
The questionnaire was developed by PSRAI in collaboration with staff of the Consumer Union. In order to improve the quality of the data, the questionnaire was pretested with a small number of respondents using listed telephone number sample. The pretest interviews were monitored by PSRAI staff and conducted using experienced interviewers who could best judge the quality of the answers given and the degree to which respon-

dents understood the questions. Some final changes were made to the questionnaire based on the monitored pretest interviews.

■ **Contact Procedures**

Interviews were conducted from May 19 to June 21, 2005. As many as 10 attempts were made to contact every sampled telephone number. Sample was released for interviewing in replicates, which are representative subsamples of the larger sample. Using replicates to control the release of sample ensures that complete call procedures are followed for the entire sample.

Calls were staggered over times of day and days of the week to maximize the chance of making contact with potential respondents. Each household received at least one daytime call in an attempt to find someone at home. In each contacted household, interviewers asked to speak with the youngest adult male currently at home. If no male was available, interviewers asked to speak with either the youngest or oldest female at home based on a random rotation.[11] This systematic respondent selection technique has been shown to produce samples that closely mirror the population in terms of age and gender.

Respondents who were not Internet users were screened out of the main interview and asked only demographics to facilitate sample weighting.

## WEIGHTING AND ANALYSIS

Weighting is generally used in survey analysis to compensate for patterns of nonresponse that might bias results. The interviewed sample of all adults (Internet users combined with non-users) was weighted to match national parameters for sex, age, education, race, Hispanic origin and region (U.S. Census definitions). These parameters came from a special analysis of the Census Bureau's 2004 Annual Social and Economic Supplement (ASEC) that included all households in the continental United States that had a telephone. After sample weighting, the non-Internet users were dropped from most analyses.

Weighting was accomplished using Sample Balancing, a special iterative sample weighting program that simultaneously balances the distributions of all variables using a statistical technique called the D*eming Algorithm*. Weights were trimmed to prevent individual interviews from having too much influence on the final results. The use of these weights in statistical analysis ensures that the demographic characteristics of the sample closely approximate the demographic characteristics of the national population. Appendix Table 1 compares weighted and unweighted sample distributions to population parameters.

## EFFECTS OF SAMPLE DESIGN ON STATISTICAL INFERENCE

Post-data collection statistical adjustments require analysis procedures that reflect departures from simple random sampling. PSRAI calculates the effects of these design features so that an appropriate adjustment can be incorporated into tests of statistical significance when using these data. The so-called "design effect" or *deff* represents the loss in statistical efficiency that results from systematic non-response. The total sample design effect for this survey is 1.17. The design effect for Internet users is 1.16.

PSRAI calculates the composite design effect for a sample

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[11] This is part of a continuing experiment to see what effect, if any, asking for the youngest instead of the oldest female has on sample demographics.

## TOTAL SAMPLE DEMOGRAPHICS
### (Internet users and non-users)

| | PARAMETER | UNWEIGHTED | WEIGHTED |
|---|---|---|---|
| **GENDER** | | | |
| Male | 48.1 | 44.4 | 47.8 |
| Female | 51.9 | 55.6 | 52.2 |
| **AGE** | | | |
| 18-24 | 12.6 | 9.5 | 12.5 |
| 25-34 | 18.0 | 12.9 | 17.5 |
| 35-44 | 20.3 | 17.4 | 20.1 |
| 45-54 | 19.3 | 18.4 | 19.3 |
| 55-64 | 13.4 | 18.2 | 13.7 |
| 65+ | 16.4 | 23.6 | 17.0 |
| **EDUCATION** | | | |
| Less than HS Grad. | 15.1 | 9.3 | 13.8 |
| HS Grad. | 35.8 | 32.8 | 36.0 |
| Some College | 23.3 | 22.2 | 23.5 |
| College Grad. | 25.8 | 35.7 | 26.7 |
| **REGION** | | | |
| Northeast | 19.2 | 17.7 | 19.1 |
| Midwest | 23.0 | 24.2 | 23.3 |
| South | 36.0 | 37.9 | 36.1 |
| West | 21.8 | 20.2 | 21.5 |
| **RACE/ETHNICITY** | | | |
| White/not Hispanic | 71.7 | 78.5 | 72.7 |
| Black/not Hispanic | 10.8 | 10.2 | 10.9 |
| Hispanic | 11.9 | 7.6 | 11.2 |
| Other/not Hispanic | 5.6 | 3.7 | 5.2 |

of size $n$, with each case having a weight, $w_i$ as:

$$deff = \frac{n \sum_{i=1}^{n} w_i^2}{\left( \sum_{i=1}^{n} w_i \right)^2} \qquad \textit{formula 1}$$

In a wide range of situations, the adjusted standard error of a statistic should be calculated by multiplying the usual formula by the square root of the design effect ($\sqrt{deff}$). Thus, the formula for computing the 95% confidence interval around a percentage is:

$$\hat{p} \pm \left( \sqrt{deff} \times 1.96 \sqrt{\frac{\hat{p}(1-\hat{p})}{n}} \right) \qquad \textit{formula 2}$$

where $\hat{p}$ is the sample estimate and $n$ is the unweighted number of sample cases in the group being considered.

The survey's *margin of error* is the largest 95% confidence interval for any estimated proportion based on the total sample— the one around 50%. For example, the margin of error for the Internet user sample (n=1,501) is ±2.7%. This means that in 95 out every 100 samples drawn using the same methodology, estimated proportions based on the entire sample will be no more than 2.7 percentage points away from their true values in the population. The margin of error for estimates based on total sample (n=2,529) is ±2.1%. It is important to remember that sampling fluctuations are only one possible source of error in a survey estimate. Other sources, such as respondent selection bias, questionnaire wording and reporting inaccuracy, may contribute additional error of greater or lesser magnitude.

## RESPONSE RATE

Appendix Table 2 reports the disposition of all sampled telephone numbers ever dialed from the original telephone number sample. The response rate estimates the fraction of all eligible respondents in the sample that

## PSRAI SAMPLE DISPOSITION

| | FINAL |
|---|---|
| Total Numbers dialed | 14,845 |
| BUSINESS | 1,334 |
| COMPUTER/FAX | 1,065 |
| CELL PHONE | 55 |
| OTHER NOT-WORKING | 2,468 |
| ADDITIONAL PROJECTED NW | 1,090 |
| Working numbers | 8,833 |
| **Working Rate** | **59.5%** |
| NO ANSWER | 197 |
| BUSY | 60 |
| ANSWERING MACHINE | 1,364 |
| CALLBACKS | 56 |
| OTHER NON-CONTACTS | 266 |
| Contacted numbers | 6,890 |
| **Contact Rate** | **78.0%** |
| INITIAL REFUSALS | 2,893 |
| SECOND REFUSALS | 741 |
| Cooperating numbers | 3,256 |
| **Cooperation Rate** | **47.3%** |
| NO ADULT IN HH | 22 |
| LANGUAGE BARRIER | 525 |
| NON-INTERNET USER | 1,028 |
| Eligible numbers | 1,681 |
| **Eligibility Rate** | **51.6%** |
| INTERRUPTED | 180 |
| Completes | 1,501 |
| **Completion Rate** | **89.3%** |
| **Response Rate** | **32.9%** |

were ultimately interviewed. At PSRAI it is calculated by taking the product of three component rates:[12]

Contact rate – the proportion of working numbers where a request for interview was made – of 78 percent[13]

Cooperation rate – the proportion of contacted numbers where a consent for interview was at least initially obtained, versus those refused – of 47 percent

Completion rate – the proportion of initially cooperating and eligible interviews that were completed – of 89 percent

Thus the response rate for this survey was 33 percent.

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[12] PSRAI's disposition codes and reporting are consistent with the American Association for Public Opinion Research standards.
[13] PSRAI assumes that 75 percent of cases that result in a constant disposition of "No answer" or "Busy" are actually not working numbers.

# APPENDIX B:
# FINAL TOPLINE RESULTS

## PRINCETON SURVEY RESEARCH ASSOCIATES INTERNATIONAL

**Consumer Reports WebWatch**
**July 18, 2005**
**Final Topline**

**Final results based on 1501 adult online users**
**Interview dates:** May 19 – June 21, 2005
**Margin of error:** Plus or Minus 3 percentage points for results based on the full sample of Internet users

■ **Notes**

An asterisk (*) indicates percentage less than 0.5%
Percentages may not add to 100% due to rounding

Hello, my name is _____ and I am calling for Princeton Survey Research. We are conducting a survey on behalf of a leading nonprofit organization to find out what Americans think about some important issues today. This survey is for research purposes ONLY – we won't ask you for money or try to sell you anything.

May I please speak with the YOUNGEST MALE, age 18 or older, who is now at home? (**IF NO MALE, ASK:** May I please speak with the {OLDEST FEMALE/YOUNGEST FEMALE}, age 18 or older, who is now at home?)

1. **Overall, are you satisfied or dissatisfied with the way things are going in this country today?**

|  | Satisfied | Dissatisfied | Don't know /Refused |
|---|---|---|---|
| Current | 39 | 52 | 9 |
| February 2005[14] | 41 | 48 | 11 |
| June 2003[15] | 49 | 42 | 9 |
| January 2002[16] | 59 | 27 | 14 |

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[14] February 2005 trends from the Pew Internet and American Life Project. Survey conducted January 13-February 9, 2005. Sample size, n=2,201 adults, age 18 and older.

[15] June 2003 trends from the Pew Internet and American Life Project. Survey conducted June 10-24, 2003. Sample size, n=2,200 adults.

[16] January 2002 trends from Consumers Union WebWatch survey. Conducted December 20, 2001-January 7, 2002. Sample size, n=2,542 adults, age 18 and older.

**2. In general, where do you get MOST of your news, weather, and sports — from television, from newspapers or magazines, from the Internet, or from radio?**

| Current | | Jan 2002[17] |
|---|---|---|
| 61 | Television | 67 |
| 14 | Newspapers or magazines | 15 |
| 11 | Internet | 5 |
| 11 | Radio | 10 |
| 1 | **(Do Not Read)** Other | 1 |
| 2 | **(Do Not Read)** Don't know/Refused | 3 |

**(READ)** On another subject…

**3. Do you ever go online to access the Internet or World Wide Web or to send and receive email?**

| | Yes | No | DK/Ref. |
|---|---|---|---|
| Current | 59 | 41 | 0 |
| November 2004[18] | 61 | 39 | 0 |
| June 2003[19] | 62 | 38 | 0 |
| January 2002 | 57 | 43 | * |
| November 2000[20] | 53 | 47 | 0 |

**4. Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?**

| Current | | June 2003 | Jan 2002 |
|---|---|---|---|
| 29 | Most people can be trusted | 35 | 42 |
| 63 | You can't be too careful | 58 | 51 |
| 6 | **(Volunteered. Do Not Read)** | | |
| | It depends | 4 | 5 |
| 2 | **(Do Not Read)** | | |
| | Don't know/Refused | 3 | 2 |

**Questions 5- 33 are based on Internet Users (n=1501)**

**5. Now I'm going to ask you about various organizations and types of organizations. How much of the** time do you think you can trust [Insert Item. Read And Rotate] **to provide information that is accurate and not misleading…just about always, most of the time, only some of the time or almost never?**

| | | Just about Always | Most of the Time | Some of the Time | Almost Never/ Never | DK/ Ref. |
|---|---|---|---|---|---|---|
| a. | Large corporations | | | | | |
| | Current: | 4 | 25 | 48 | 21 | 3 |
| | January 2002:[21] | 3 | 29 | 52 | 14 | 3 |
| b. | Newspapers and television news | | | | | |
| | Current: | 9 | 47 | 36 | 6 | 1 |
| | January 2002: | 10 | 48 | 36 | 5 | 1 |
| c. | Financial companies such as banks, insurance companies, and stock brokers | | | | | |
| | Current: | 8 | 43 | 39 | 8 | 2 |
| | January 2002: | 10 | 45 | 37 | 7 | 1 |
| d. | Web sites that offer products or services for sale | | | | | |
| | Current: | 3 | 23 | 48 | 21 | 4 |
| | January 2002: | 3 | 26 | 50 | 14 | 6 |
| e. | Web sites that provide advice to consumers about which products or services to buy | | | | | |
| | Current: | 5 | 26 | 50 | 12 | 7 |
| | January 2002: | 4 | 29 | 50 | 9 | 8 |
| f. | News Web sites | | | | | |
| | Current: | 11 | 43 | 34 | 5 | 6 |
| g. | Web sites for children | | | | | |
| | Current: | 8 | 26 | 26 | 10 | 30 |
| h. | Web logs or Blogs posted online | | | | | |
| | Current: | 2 | 10 | 36 | 21 | 31 |

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[17] Consumers Union WebWatch survey. Conducted December 20, 2001-January 7, 2002. Sample size, n=2,542 adults, age 18 and older.

[18] November 2004 trends from the Pew Internet and American Life Project. Survey conducted Nov 4-Nov 22, 2004, n=2,200.

[19] June 2003 trends from the Pew Internet and American Life Project. Survey conducted June 10-24, 2003. Sample size, n=2,200 adults.

[20] November 2000 trends from the Pew Internet and American Life Project. Survey conducted November 2, 2000 – December 1. n=6,322.

[21] Consumers Union WebWatch survey. Conducted December 20, 2001-January 7, 2002. based on Internet users, n=1,500 Internet users, age 18 and older.

6. **As I read a list, please tell me if you have done any of the following in the past several months when you have gone online. (First/Next) In the past several months, have you visited...** [INSERT ITEM. READ AND ROTATE]

|  | Yes | No | DK/Ref. |
|---|---|---|---|
| a. A news Web site | | | |
| Current: | 76 | 24 | * |
| January 2002: | 73 | 27 | * |
| b. A Web site that provides advice to consumers about which products or services to buy | | | |
| Current: | 44 | 56 | * |
| January 2002: | 37 | 63 | * |
| c. Web logs or Blogs posted online by individuals or groups | | | |
| Current: | 27 | 69 | 5 |

7. **Thinking about the various kinds of Web sites you have visited online, here are some reasons given for going to particular sites. For each, I'd like to know how important this is for you when you decide to visit a Web site. First,** [Insert item. ROTATE] **how important is this to you about a Web site... very important, somewhat important, not very important or not important at all?**

|  | Very | Some-what | Not very | Not at all | DK/Ref. |
|---|---|---|---|---|---|
| a. Being able to trust the information on the Web site | | | | | |
| Current: | 81 | 14 | 2 | 1 | 1 |
| January 2002: | 80 | 14 | 3 | 1 | 1 |
| b. Knowing the Web site is updated frequently with new information | | | | | |
| Current: | 73 | 23 | 2 | 1 | 1 |
| January 2002: | 65 | 28 | 4 | 2 | * |

|  | Very | Some-what | Not very | Not at all | DK/Ref. |
|---|---|---|---|---|---|
| c. Knowing who owns the Web site | | | | | |
| Current: | 48 | 30 | 14 | 8 | 1 |
| January 2002: | 32 | 33 | 22 | 12 | 1 |
| d. The site is easy to navigate and to find what you want | | | | | |
| Current: | 77 | 19 | 2 | 1 | * |
| January 2002: | 80 | 16 | 2 | 1 | 1 |
| e. Being able to easily identify the sources of information on the site | | | | | |
| Current: | 76 | 18 | 3 | 2 | 1 |
| January 2002: | 68 | 25 | 4 | 2 | 1 |
| f. What businesses and organizations financially support the site | | | | | |
| Current: | 38 | 38 | 15 | 8 | 1 |
| January 2002: | 24 | 37 | 27 | 11 | 2 |
| g. The site displays seals of approval from other groups | | | | | |
| Current: | 24 | 47 | 17 | 11 | 2 |
| January 2002: | 19 | 41 | 26 | 12 | 2 |
| h. The site will keep personal information I provide safe and secure | | | | | |
| Current: | 88 | 7 | 2 | 2 | 1 |

## NEWS AND INFO SITES

8. Now thinking SPECIFICALLY about news and information Web sites, here is a list of information and features that are available on some sites. For each, I'd like to know how important it is to you that this information be on the site and easy to find. First, [insert item] how important that this information be available on the site … very important, somewhat important, not very important or not important at all?

| | Very | Some-what | Not very | Not at all | DK/Ref. |
|---|---|---|---|---|---|
| a. Email addresses for the editor or people responsible for the content on the site | | | | | |
| Current: | 47 | 36 | 11 | 6 | * |
| January 2002: | 36 | 39 | 16 | 7 | 1 |
| b. A prominently displayed page for corrections and clarifications | | | | | |
| Current: | 44 | 42 | 10 | 3 | 1 |
| January 2002: | 34 | 45 | 13 | 6 | 1 |
| c. The financial relationships the site has with other sites or other businesses, if any | | | | | |
| Current: | 30 | 40 | 20 | 8 | 1 |
| January 2002: | 22 | 42 | 24 | 10 | 1 |
| d. Advertising is clearly labeled as advertising and distinguished from news and information on the site | | | | | |
| Current: | 69 | 22 | 5 | 4 | * |
| January 2002: | 59 | 25 | 10 | 4 | 1 |

9. Please rate how much you think you can believe each of the following. (First,/And) (READ AND ROTATE)? Would you say you believe almost all of what it says, most of what it says, only some, or almost nothing of what it says?

| | Almost All | Most | Only Some | Almost Nothing | Don't read/ watch | DK/ Ref. |
|---|---|---|---|---|---|---|
| a. The national television news you watch most often | 22 | 46 | 26 | 4 | 2 | * |
| b. The daily newspaper you read most often | 19 | 48 | 25 | 2 | 5 | * |
| c. The news site onthe Internet you visit most often | 18 | 50 | 22 | 2 | 8 | * |
| d. Weblogs or blogs posted online | 3 | 12 | 41 | 15 | 26 | 4 |

10. Some news sites require that you pay a fee or have a paid subscription to access their news online or to access particular sections of their sites. Have you ever paid to get access to news online?

11. Would you consider paying a fee to an online news site so that you could get access to more in depth news coverage?

13 Yes
6 Have paid
7 Would consider paying
86 No
1 **(Do Not Read)** Don't know/Refused

12. **How much do you trust online news Web sites to use photographs that are real and have not been altered to change their meaning or to mislead you? Would you say you trust these sites a lot, somewhat, a little, or not at all?**

13 A lot
54 Somewhat
21 A little
9 Not at all
3 **(Do Not Read)** Don't know/Refused

13. **Have you ever come across a photograph online that you believe was substantially altered to change its meaning or to mislead you?**

47 Yes
49 No
3 **(Do Not Read)** Don't know/Refused

## ECOMMERCE SITES

14. **Now thinking SPECIFICALLY about Web sites where you buy or bid on something. For each, I'd like to know how much you trust this type of site. First/Next, how much do you trust…**(INSERT ITEM. ROTATE)?
**READ FOR FIRST ITEM, THEN AS NECESSARY: Would you say you trust these types of sites a lot, somewhat, a little, or not at all?**

|  | A lot | Some | A little | Not at all | (Vol.) N/A | DK/ Ref. |
|---|---|---|---|---|---|---|
| a. Sites where you buy a product, such as a book, toy, CD, or clothes | 38 | 39 | 9 | 6 | 7 | * |
| b. Sites where you participate in an auction, such as E-Bay | 24 | 37 | 12 | 11 | 15 | * |

15. **Please tell me if you have ever used the Internet to do any of the following? Have you ever used the Internet to….(INSERT ITEM. ROTATE)**

|  | Yes |
|---|---|
| a. Buy a product online, such as a book, toy, CD, or clothes | 77 |
| b. Participate in an online auction, such as on E-Bay | 44 |

## FINANCIAL SERVICES

16. **Now thinking SPECIFICALLY about Web sites where you provide personal financial information, such as social security number or bank account numbers. For each, I'd like to know how much you trust this type of site. First/Next, how much do you trust…**(INSERT ITEM. ROTATE). **READ FOR FIRST ITEM, THEN AS NECESSARY: Would you say you trust this site a lot, somewhat, a little, or not at all?**

|  | A lot | Some | A little | Not at all | (Vol.) N/A | DK/ Ref. |
|---|---|---|---|---|---|---|
| a. Sites where you can do your banking | 43 | 25 | 8 | 15 | 9 | * |
| b. Sites where you set up automatic payment of bills | 31 | 24 | 10 | 20 | 14 | 1 |
| c. Sites where you can check your credit history and credit score | 18 | 34 | 12 | 18 | 17 | 1 |
| d. Sites where you can buy and sell stock or mutual funds | 17 | 25 | 11 | 21 | 25 | 1 |
| e. Sites where you can apply for a mortgage or loan | 10 | 26 | 13 | 28 | 22 | 1 |

17. **Please tell me if in the past 12 months you have used the Internet to do any of the following? Have you used the Internet to….**(INSERT ITEM. ROTATE)

| | Yes |
|---|---|
| a. Do banking online, such as pay bills or open a savings account | 45 |
| b. Pay your monthly bills automatically, such as electric or phone bills, using a site that is not your bank's | 23 |
| c. Check your credit history and credit score | 24 |
| d. Buy and sell stocks or mutual funds | 12 |
| e. Apply for a mortgage or home loan | 7 |

## SEARCH ENGINES

18. **Have you heard or read about search engines being paid fees to list some sites more prominently than others in their search results?**

| Current | | Jan 2002 |
|---|---|---|
| 44 | Yes | 39 |
| 56 | No | 60 |
| 1 | (Do Not Read) Don't know/Refused | 1 |

19. **Now please tell me which statement you think best describes search engines** (READ)
- 31 They show the most relevant results for a search (OR)
- 50 They show mostly results that are for companies that have paid to be listed prominently
- 2 (VOL.) Neither
- 3 (VOL.) Both
- 14 (Do Not Read) Don't know/Refused

## KIDS SITES

20. **Are you the parent or guardian of any children under age 18 now living in your household?**
- 41 Yes
- 59 No
- * (Do Not Read) Don't know/Refused

21. **Are any of these children . . .** (READ IN ORDER)

| | Yes |
|---|---|
| a. Age five or younger, including newborns? | 20 |
| b. Age 6 to 11? | 20 |
| c. 12 to 14 years old? | 11 |
| d. 15 to 17 years old? | 11 |

22. **{Does your child/Do your children} ever use the Internet or go online to send and receive email at home?**
*Based on those with children age 6-17 (n=428)*
- 64 Yes/Yes at least one does
- 36 No
- 0 (Do Not Read) Don't know/Refused

23. **Do you ever check to see who {your child talks/your children talk} with over the Internet, using Instant Messaging or e-mail?**
*Based on those with children age 6-17 (n=428)*
- 50 Yes
- 12 No
- 36 Children don't go online
- 1 (Do Not Read) Don't know/Refuseds

24. **Some people worry about children using the Internet. For each one, please tell me how much of a problem you think this is. (First/Next,) . . .** (READ AND ROTATE)—**is this a major problem, a minor problem, or not a problem with children using the Internet.**

| | Major | Minor | Not a problem | DK/ Ref. |
|---|---|---|---|---|
| a. Adults seeking out children in chat rooms | 86 | 9 | 2 | 3 |
| b. The large number of violent video games that can be played online | 61 | 25 | 10 | 3 |
| c. The ease of viewing sexually explicit materials | 82 | 12 | 4 | 2 |
| d. Sites that are supposed to be educational, seem more about selling products | 42 | 42 | 9 | 8 |

25. **As you may know, television shows and video games now have a ratings system similar to movies. These ratings indicate if the show or game is appropriate for certain aged children. Do you think it would be a good idea or a bad idea** to require **that Internet Web sites be rated in a similar way?**
   - 86   Good idea
   - 12   Bad idea
   - 3    **(Do Not Read)** Don't know/Refused

## CREDIT CARD FRAUD/IDENTITY THEFT

26. **Now, please tell me in the past 12 months, how often have you used your credit card to buy something on the Internet?** (READ IF NECESSARY: **On average how often do you use?)**
   - 43   1-5 times
   - 17   6-12 times
   - 6    13-24 times
   - 5    25-49 times
   - 4    50 or more times
   - 26   Don't use credit card online
   - 1    **(Do Not Read)** Don't know/Refused

27. **When you do this, how much, if at all, do you worry that someone else might get your credit card number — a lot, some, not very much, or not at all?** *Based on those who use credit card online*

| Current | | Jan 2002 | June 2000[22] |
|---|---|---|---|
| 28 | A lot | 25 | 18 |
| 39 | Some | 40 | 36 |
| 22 | Not very much | 25 | 28 |
| 11 | Not at all | 10 | 18 |
| 0 | **(Do Not Read)** | | |
| | Don't know/Refused | * | 0 |
| (n=1124) | | (n=1005) | (n=489) |

28. **Why don't you use your credit card to make purchases on the Internet? (RECORD OPEN END)** *Based on those who haven't used credit cards online in past twelve months (n=365)*
   - 25   Don't trust them/the Internet
   - 13   Don't want my information/credit card number out there
   - 6    Prefer to shop in person
   - 6    Fear of identity theft
   - 16   Security/Safety issues/Hackers
   - 6    Trying not to use my credit cards
   - 7    Other
   - 16   Don't have credit card
   - 6    Don't need to buy anything on the Internet
   - *    **(Do Not Read)** Don't know/Refused

29. **One new type of crime is when someone gets your personal information, such as Social Security number or credit card numbers and then uses that information illegally, in effect, stealing your identity. How much do you worry that someone might steal your identity from personal information that is on the Internet — a lot, some, not very much, or not at all?**
   - 45   A lot
   - 35   Some
   - 13   Not very much
   - 7    Not at all
   - *    **(Do Not Read)** Don't know/Refused

30. **Do you think the Internet makes this type of identity theft more common, less common, or don't you think the Internet has any impact?**
   - 86   More common
   - 5    Less common
   - 5    No impact
   - 3    **(Do Not Read)** Don't know/Refused

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[22] June 2000 trends from the Pew Internet and American Life Project. Conducted May 19-June 21, 2000. Sample size, n=489 Internet users who used their credit card online.

**31.** We'd like to know if you are doing things differently because of concerns about identity theft and the security of personal information that can be found online. Because of these concerns, have you... (INSERT. READ AND ROTATE), **or not?**

|  | Yes | No | N/A | DK/ Ref. |
|---|---|---|---|---|
| a. Reduced your overall use of the Internet | 30 | 68 | 1 | * |
| b. Stopped buying things on the Internet | 25 | 59 | 15 | * |
| c. Stopped giving out any personal financial information on the Internet | 53 | 29 | 17 | 1 |

**32.** Now, please think just about shopping online. Because of concerns about the security of your personal information online, have you... (INSERT. READ AND ROTATE), **or not?**
*Based on those who haven't stopped shopping online (n=914)*

|  | Yes | No | N/A | DK/ Ref. |
|---|---|---|---|---|
| a. Reduced how often you buy items on the Internet | 29 | 56 | 3 | 12 |
| b. Become more likely to read a site's privacy policy or user agreement before making a purchase | 54 | 31 | 2 | 12 |
| c. Started using just one credit card for ALL items you buy on the Internet | 58 | 19 | 10 | 12 |

**33.** Next, I'm going to read a list of things some people say about the Internet. For each one, please tell me if you agree or disagree with the statement. **(First/Next,)** the Internet. . . (READ AND ROTATE)— (If Agree/Disagree: **Is that strongly or somewhat?**)

|  | Agree | | Disagree | | DK/ Ref. |
|---|---|---|---|---|---|
|  | Strongly | Some | Some | Strongly | |
| a. Makes it easy to find the lowest price for an item | 42 | 37 | 11 | 6 | 5 |
| b. Makes it easy to keep up on the news | 55 | 32 | 5 | 3 | 4 |
| c. Helps me manage my money | 17 | 21 | 24 | 35 | 4 |
| d. Has too many sites that look legitimate, but are really just selling worthless products or services, or are trying to get you to send money for nothing | 46 | 31 | 13 | 5 | 5 |
| e. Has too many sites that look like news sites, but are really just promoting a single point of view | 36 | 36 | 14 | 4 | 10 |
| f. Has too many pop up advertisements | 85 | 9 | 3 | 1 | 2 |
| g. Makes it too easy for computer viruses, spyware, and adware to get onto your own computer | 74 | 18 | 4 | 2 | 3 |

## DEMOGRAPHICS

(READ) Finally, I'd like to ask you a few last questions for statistical purposes only…

**GENDER  Record Respondent's Gender**
48  Male
52  Female

**AGE  What is your age?**
20  18-29
38  30-49
23  50-64
17  65 and older
 2  **(Do Not Read)** Don't know/Refused

**EDUC  What is the last grade or class you completed in school?**
**(DO NOT READ, BUT CAN PROBE FOR CLARITY IF NEEDED).**
 4  None, or grades 1-8
10  High school incomplete (grades 9-11)
32  High school graduate (grade 12 or GED certificate)
 4  Business, Technical, or vocational school AFTER high school
23  Some college, no 4-year degree (includes associates degree
17  College graduate (B.S., B.A. or other 4-year degree)
10  Post-graduate training/professional school after college (Master's degree/Ph.D., Law or Medical school)
 1  **(Do Not Read)** Don't know/Refused

**HISP  Are you, yourself, of Hispanic or Latino origin or descent, such as Mexican, Puerto Rican, Cuban, or some other Latin American background?**
11  Yes
88  No
 1  **(Do Not Read)** Don't know/Refused

**RACE  What is your race? Are you white, black, Asian, or some other race?**
IF R SAYS HISPANIC OR LATINO, PROBE: **Do you consider yourself a WHITE (Hispanic/Latino) or a BLACK (Hispanic/Latino)?** IF R DOES NOT SAY WHITE, BLACK OR ONE OF THE RACE CATEGORIES LISTED, RECORD AS "OTHER" (CODE 5)
78  White
12  Black or African-American
 3  Asian or Pacific Islander
 2  Mixed Race
 2  Other
 3  **(Do Not Read)** Don't know/Refused

**INC  Last year, that is in 2004, what was your total family income from all sources, before taxes. Just stop me when I get to the right category. (READ)**
 7  Less than $10,000
 9  $10,000 to under $20,000
12  $20,000 to under $30,000
10  $30,000 to under $40,000
 9  $40,000 to under $50,000
14  $50,000 to under $75,000
10  $75,000 to under $100,000
 8  $100,000 or more
21  **(Do Not Read)** Don't know/Refused

**Thank you for your assistance tonight. Goodbye.**